

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6154

BILL NUMBER: SB 27

NOTE PREPARED: Nov 3, 2006

BILL AMENDED:

SUBJECT: Homeowners Association Election Disputes.

FIRST AUTHOR: Sen. Waltz

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill requires the parties to a dispute involving the election of a director or an officer of a homeowners association or condominium association to attempt to resolve the dispute through the use of mediation before bringing an action in a court. The bill provides that, if the parties cannot resolve the dispute and an action is brought in a court, the court: (1) may, on its own motion; and (2) shall, upon the motion of any party to the dispute; refer the case to any appropriate type of alternative dispute resolution selected by the court under the Indiana Supreme Court Rules for Alternative Dispute Resolution.

Effective Date: July 1, 2007.

Explanation of State Expenditures:

Explanation of State Revenues: *Summary:* If the bill had the effect of reducing the number of civil suits filed, the state's share of court fee revenues would decrease.

Background on Court Fees: A civil filing fee of \$100 is assessed when a civil case is filed, 70% of the filing fee is deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court. In addition, some or all of the judicial salaries fee (\$15), the public defense administration fee (\$3), the court administration fee (\$2), and the judicial insurance adjustment fee (\$1) are deposited into the state General Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues: *Summary:* If fewer actions took place, local revenues generated by filing

fees would be reduced.

Background on Court Fees: County general funds receive 27% of the \$100 filing fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If a case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.

State Agencies Affected:

Local Agencies Affected: Trial courts.

Information Sources:

Fiscal Analyst: Chris Baker, 317-232-9851.